DAUFUSKIE ISLAND UTILITY COMPANY, INC. c/o GUASTELLA ASSOCIATES, LLC 6 Beacon Street, Suite 200 Boston, MA 02108 617-423-7878

December 10, 2015

Mr. J. Rene Josey, Esq. Turner | Padget 319 South Irby St. P.O. Box 5476 Florence SC 29502

> Re: Michael and Nancy Halwig 46 Driftwood Cottage Lane TPGL File No.: 13926.101

Dear Mr. Josey:

Daufuskie Island Utility Company (Company) will continue to preserve, maintain and provide service to all customers within its service area, including service to the Halwig property. The Driftwood service area has been and continues to be monitored daily regarding the erosion problem. In accordance with conversations with Mr. Crow and members of the Office of Regulatory Staff of South Carolina, we will continue to provide utility service as originally designed and in compliance with all regulatory requirements.

It is, however, the Halwig's responsibility for an alternative extension of mains and facilities to provide water and sewer service to their property, subject to our approval of the design and construction. The cost of any alternative would be the responsibility of the Halwigs, because it is not appropriate for the Company to incur such costs which would then be passed on to its other customers through the rate setting process. An alternative extension will be considered under the provisions of a 'Customer Main Extension Fee' contract, Reg. 103-502.3, "A fee paid by a customer under a contract entered into by and between the utility and its customer providing terms for the extension of the utility's mains to service the customer".

We would, of course, work with the Halwigs' contractor to accomplish an alternative extension from another location of our existing distribution system.

GUASTELLA ASSOCIATES, LLC Manager of DIUC

Mike J. Guastella Vice President-Operations

Crow, Ken <kcrow@centurygolf.com>

Sent:

Wednesday, December 23, 2015 11:51 AM

To:

Josey, J. Rene

Subject:

Re: 46 Driftwood Cottage lane

Thank you for your email. I have notified the staff that the Halwig's are coming in today and to assist as much as possible.

I will touch base with you after our meetings next week.

Thanks,

Ken

Sent from my iPhone

On Dec 23, 2015, at 11:35 AM, Josey, J. Rene <JJosey@TurnerPadget.com<mailto:JJosey@turnerpadget.com>> wrote:

Ken,

As we discussed earlier this week, here are some figures from Dr. Halwig regarding the economic impact to the Club of lost rentals for his home (in addition to the personal impact to him).

I think he makes a good point worthy of consideration.

This will confirm that you are meeting with the owner next week at Dafauskie to further review the situation and possible remedies. I understand that your visit may or may not overlap with the Halwig's week on the island but that you will let me know. Although you prefer that communications remain through me, you are willing to meet informally with Dr. Halwig if you visits overlap.

You promised to be sure the club manager knew of the Halwig's visit so that he could provide any reasonable assistance needed.

Thanks,

Rene'

[Description: Description:

http://vcard.turnerpadget.com/TPLogo_H_Web70.jpg]http://vcard.turnerpadget.com/

J. Rene Josey

Attorney

PO Box 5478 | Florence, SC 29502

319 South Irby Street | Florence, SC 29501

843-656-4451 | Fax 843-413-5818

jjosey@turnerpadget.com<mailto:jjosey@turnerpadget.com>

Bio<http://www.turnerpadget.com/attorneys/details/j.-rene-josey/> | vCard<http://vcard.turnerpadget.com/JRJ.vcf> | Location<http://www.turnerpadget.com/firm/offices/florence/>

46 Driftwood Cottage Lane

2015 Gross Rental Income-\$125,844.29

Total days rented-148

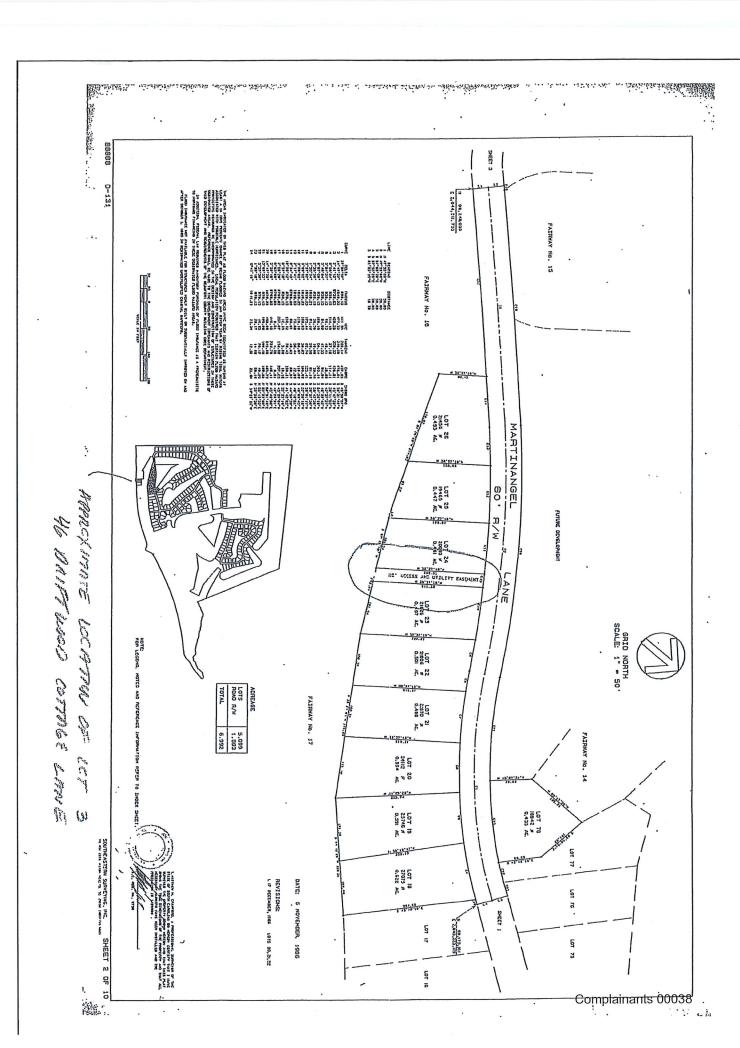
Total rental groups-31

Average guests per rental-9.2

Economic Impact to the Resort-\$68,080-\$136,160

(estimate of \$50.00-\$100.00 spent per guest/day)

The house has served as a "host" house for several weddings held at Melrose



10/21/2015

Google Maps

Google Maps Google Maps



Map data @2015 Google



DAUFUSKIE ISLAND FIRE DISTRICT

P.O. BOX 35, 400 HAIG POINT ROAD DAUFUSKIE ISLAND, SC 29915 843-785-2116 FAX 843-785-6021

January 13, 2016

J. Michael Halwig MD 2132 West Village Crossing SE Smyrna, GA 30080

Re: Gravel Path

Dear Mr. Halwig,

I am in receipt of your request to review a temporary 12' path through a utility easement to be used for emergency access. I could not determine where the proposed path would cross the golf course, where it would end, the size of rock or how thick the layer of rock would be.

A temporary proposed path may provide limited access for emergency services whereas currently there isn't any. This means that if the path can handle the loads of the fire apparatus, is suitable under all weather conditions, the fire apparatus has a way to get in and out without great difficulty, then I believe this would serve as a temporary path.

A temporary path is brief, short term, not lasting, not permanent and therefore would require a permanent solution within six months to a year. I applicate your effort to provide an access point to you home and look forward to a more permanent solution in the near future.

Sorry I missed you during the Christmas holiday, I left a messages on your voicemail and hope to speak with you soon.

Best regards,

Eddie Boys District Chief

Daufuskie Island Fire Department

Crow, Ken <kcrow@centurygolf.com>

Sent:

Friday, January 15, 2016 2:58 PM

To:

Josey, J. Rene

Subject:

Fwd: Driftwood Cottage Access

Attachments:

LAB Driftwood Cottage Access.pdf; ATT00001.htm

Rene,

Below is the email that was sent to the homeowners association today. A couple of items in the email. First, after speaking with the chief this week he is neither an agreement or against any access as he says he has no authority over that situation. Secondly, the homeowners stated the same. I will forward the response to Dr. Halwig next.

Thanks Ken

From: <jmhalwigmd@aol.com<mailto:jmhalwigmd@aol.com>>>

Date: Fri, Jan 15, 2016 at 8:54 AM Subject: Driftwood Cottage Access

To: thompson.ja47@gmail.com<mailto:thompson.ja47@gmail.com>

Cc: melrosemcf@gmail.com<mailto:melrosemcf@gmail.com>

We have been in negotiations with Century Golf/Pelorus regarding access to Driftwood Cottage Lane. So far they have agreed to allow access along the existing 16th-17th hole cart path with a new temporary path between the 16th green and 17th tee attaching to Driftwood Cottage Lane.

Access through the utility easement between lot 24 and lot 25 along Martinangel Lane then south along the 17th hole west of the existing cart path and then between the 16th green and 17th tee still appears to be the best option (see the attached documents). That is the route that Len Pojednic also advised. Ken Crowe is concerned about potential opposition from the adjoining homeowners. Chief Boys is supportive of this route for temporary emergency access.

A formal statement from the POA advising that this is the best option to provide temporary emergency access for Driftwood Cottage Lane residents would be helpful in addressing those potential concerns.

Mike

Crow, Ken <kcrow@centurygolf.com>

Sent:

Friday, January 15, 2016 2:59 PM

To:

Josey, J. Rene

Subject:

Fwd: Emergency access

Rene,

Below is the response back to Dr. Halwig for the property owners Association.

Thanks,

Ken

Sent from my iPhone

Begin forwarded message:

From: John Thompson < thompson.ja47@gmail.com < mailto:thompson.ja47@gmail.com >>

Date: January 15, 2016 at 12:47:18 PM EST

To: Ken Crow < kcrow@centurygolf.com < mailto:kcrow@centurygolf.com >>

Subject: Emergency access

Dear Mike,

It was previously determined that the Melrose Property Owner's Association has no standing regarding the access point other than the platted access that can no longer be safely traversed in front of the McCarthy property. The MPOA board has no voice in this dialog as we have no authority over any of the property involved. John Thompson, for the MPOA Board

THE MELROSE PROPERTY OWNERS ASSOCIATION, INC. c/o GW SERVICES INC. P.O. BOX 6476 HILTON HEAD ISLAND, SC 29938-6476

January 25, 2016

To: Dr. Michael Halwig

E-Mail copies to: Dr. and Mrs. Noller

Mr. Brian McCarthy Mr. Victor Speck Mr. Richard Noonan Mr. Ken Crowe Chief E. Boys

Dear Dr. Halwig,

As you and everyone is aware, the severe erosion that has devastated Driftwood Beach has left your home, the Noller home, and McCarthy's homes temporarily inaccessible via Driftwood Road. You have informed me that you, your wife and Dr. and Mrs. Noller, as well as your joint counsel, have been discussing alternative access routes with Ken Crowe of Century Golf and more recently his counsel.

You have also indicated to me that Century and Pelorus are generally amenable to granting temporary golf cart, pedestrian and emergency vehicle access across the golf course at a point between the 16th green and the 17th tee. That would be a significant, and very welcome, accommodation by Century/Pelorus. The unresolved issue appears to be the route that golf carts, pedestrians and emergency vehicles might take from Martinangel Lane in order to reach the possible access point between the 16th green and the 17th tee.

Although there is a platted twenty five foot wide easement between the Speck and Noonan homes, those homeowners have already advised MPOA that they oppose use of that area for anything other than utility purposes. I recall that there is a utility box within the easement area, and it is heavily wooded with dense foliage. Since the MPOA does not own that area, it can neither grant nor deny access- nor will it assume site clearance costs. Whether or not that 25' wide easement can accommodate fire and emergency vehicles is an open question that Chief Boyes' may be able to answer.

There may be other routes to reach the temporary corridor between the 16th green and 17th fairway, such as, for example, the existing 16th fairway cart path which initiates at Martinangel Lane, and runs northward to the aforementioned temporary golf course access point. In order to better accommodate emergency vehicles, the cart path could be temporarily widened where it intersects Martinangel. We do, as the MPOA, have a small common parcel on that site that could enhance this route as an option . Again, whatever route is agreed upon would have to be approved for Emergency Access by Chief Boyes.

The MPOA Board all agree that we should maintain a neutral stance on the issues involved, for at least two reasons. First, and most importantly, the MPOA does not own or control the potentially affected properties; and second, we want to respect the conflicting interests of each of our members. However, while we want to maintain a neutral stance, we would strongly suggest that each of the interested parties, including Century/Pelorus, the Halwigs, Nollers, McCarthys, Specks, Noonans, with their lawyers and/or representatives, and Chief Boyes, come together as soon as possible, openly discuss all possible alternatives, and try to come to a solution that may not be ideal, but will alleviate the legitimate, but hopefully, temporary, access problem that exists now due to the beach erosion. If all of the affected parties agree, the MPOA will be willing to ask one or more of our Board Members to serve as a facilitator or mediator in such discussions. If the parties are interested in that approach, please let me know.

Best Regards to All,

John Thompson
President
Melrose Property Owners Association

Crow, Ken < kcrow@centurygolf.com>

Sent:

Monday, January 25, 2016 11:40 AM

To:

Josev, J. Rene

Subject:

Fwd: Response sent to Dr. Michael Halwig this date

Attachments:

MPOA Response to Mike Halwig 01252016.docx; ATT00001.htm

Hope you had a great weekend. I just received this email. Have not had a chance to read it as I'm traveling to Hilton head now.

Thanks,

Ken

Sent from my iPhone

Begin forwarded message:

From: John Thompson thompson.ja47@gmail.com/

Date: January 25, 2016 at 11:17:53 AM EST

To: "jmhalwigmd@aol.com<mailto:jmhalwigmd@aol.com>" <JMHalwigMD@aol.com<mailto:JMHalwigMD@aol.com>>, "bev.noller@gmail.com<mailto:bev.noller@gmail.com>" <bev.noller@gmail.com<mailto:bev.noller@gmail.com>>, Vic

Speck <vcspeck@aol.com<mailto:vcspeck@aol.com>>, Doug Noonan

<LawDTN@yahoo.com<mailto:LawDTN@yahoo.com>>, Doug Noonan

<Richard.Noonan@morgankeegan.com<mailto:Richard.Noonan@morgankeegan.com>>, Ken Crow

<kcrow@centurygolf.com<mailto:kcrow@centurygolf.com>>, <MBOYS4900@aol.com<mailto:MBOYS4900@aol.com</p>

Cc: Mary Ann Freeman <melrosemcf@gmail.com<mailto:melrosemcf@gmail.com>>

Subject: Response sent to Dr. Michael Halwig this date

To all: Please use the attached letter as a clear statement of the Melrose Property Owner's Association Board's position with regard to the ongoing access problems associated with the loss of Driftwood Lane. The letter below is also attached in a Word document for print and reference. Our MPOA Administrator, Mary Ann Freeman, will also distribute this document to all members of our board and it will be recorded in the MPOA Minutes. John A. Thompson as President of the MPOA Board of Directors

THE MELROSE PROPERTY OWNERS ASSOCIATION, INC. c/o GW SERVICES INC. P.O. BOX 6476 HILTON HEAD ISLAND, SC 29938-6476

January 25, 2016

To: Dr. Michael Halwig

E-Mail copies to:

Dr. and Mrs. Noller

Mr. Brian McCarthy Mr. Victor Speck Mr. Richard Noonan Mr. Ken Crowe

Chief E. Boys

Dear Dr. Halwig,

As you and everyone is aware, the severe erosion that has devastated Driftwood Beach has left your home, the Noller home, and McCarthy's homes temporarily inaccessible via Driftwood Road. You have informed me that you, your wife and Dr. and Mrs. Noller, as well as your joint counsel, have been discussing alternative access routes with Ken Crowe of Century Golf and more recently his counsel.

You have also indicated to me that Century and Pelorus are generally amenable to granting temporary golf cart, pedestrian and emergency vehicle access across the golf course at a point between the 16th green and the 17th tee. That would be a significant, and very welcome, accommodation by Century/Pelorus. The unresolved issue appears to be the route that golf carts, pedestrians and emergency vehicles might take from Martinangel Lane in order to reach the possible access point between the 16th green and the 17th tee.

Although there is a platted twenty five foot wide easement between the Speck and Noonan homes, those homeowners have already advised MPOA that they oppose use of that area for anything other than utility purposes. I recall that there is a utility box within the easement area, and it is heavily wooded with dense foliage. Since the MPOA does not own that area, it can neither grant nor deny access- nor will it assume site clearance costs. Whether or not that 25' wide easement can accommodate fire and emergency vehicles is an open question that Chief Boyes' may be able to answer.

There may be other routes to reach the temporary corridor between the 16th green and 17th fairway, such as, for example, the existing 16th fairway cart path which initiates at Martinangel Lane, and runs northward to the aforementioned temporary golf course access point. In order to better accommodate emergency vehicles, the cart path could be temporarily widened where it intersects Martinangel. We do, as the MPOA, have a small common parcel on that site that could enhance this route as an option . Again, whatever route is agreed upon would have to be approved for Emergency Access by Chief Boyes.

The MPOA Board all agree that we should maintain a neutral stance on the issues involved, for at least two reasons. First, and most importantly, the MPOA does not own or control the potentially affected properties; and second, we want to respect the conflicting interests of each of our members. However, while we want to maintain a neutral stance, we would strongly suggest that each of the interested parties, including Century/Pelorus, the Halwigs, Nollers, McCarthys, Specks, Noonans, with their lawyers and/or representatives, and Chief Boyes, come together as soon as possible, openly discuss all possible alternatives, and try to come to a solution that may not be ideal, but will alleviate the legitimate, but hopefully, temporary, access problem that exists now due to the beach erosion. If all of the affected parties agree, the MPOA will be willing to ask one or more of our Board Members to serve as a facilitator or mediator in such discussions. If the parties are interested in that approach, please let me know.

Best Regards to All,

John Thompson President Melrose Property Owners Association

Turner Padget

REPLY TO:

J. René Josey

E-Mail: RJosey@TurnerPadget.com Writer's Direct Dial: (843) 656-4451 Writer's Direct Fax: (843) 413-5818

February 2, 2016

VIA E-MAIL
Mr. Ken Crowe
Century Golf

VIA EMAIL

John A. Thompson, DMD
President
Melyana Proporty Oymoval Agget

Melrose Property Owners' Association

Re:

Urgent Need for Property Access to 46 Driftwood Cottage Lane, Daufuskie Island

File No.: 13826.101

Gentlemen:

I am once again writing on behalf of Dr. and Mrs. Halwig and their neighbors the Nollers with regard to the ongoing need for reasonable access to their properties at Daufuskie Island. While we appreciate the cooperative spirit which has been shown in our previous discussions regarding this crisis, time is now of the essence as we are quickly approaching prime rental season for these properties at Daufuskie Island. In particular, there are property rentals scheduled for March and April with an even heavier booking for May and beyond. Thus, we need something in place in the next few weeks.

Since Mother Nature has taken away the access that was was originally planned and provided, my clients are seeking reasonable accomodation under the circumstances — circumstances that we all hope will be temporary and will improve. To make our request specific, we believe reasonable access should include a route and method to transport renters with their accompanying luggage to the Halwig and Noller's homes without those renters having to physically transfer luggage from one staging area to another, or carry their luggage on foot across the golf course or other property. This would be in keeping with the renter's expectations and the amenities afforded to other residents of Melrose and the island. Your assistance in planning and providing a route will also lessen the likelihood of any rogue routes attempted by renters.

Reasonable access would also include the ability for necessary/routine island vendors to reach the home to deliver propane gas, service a swimming pool (which is also needed for safety), and pick up garbage. It is essential that an ambulance or similar EMS vehicle be able to reach the home in the case of an emergency. Such access may not require a paved road but might be provided through a sufficiently wide lane of crushed stone. As you know, there is part of a previous paved road still available on the oceanfront side of the golf course adjacent to these properties for turnarounds, parking, and similar connections. This piece of the former road may

TPGL 6834928v1

Turner Padget

Mr. Ken Crowe John A. Thompson, DMD February 2, 2016 Page 2

need some maintenance or supplemental care to fulfill this purpose and that would be in keeping with the HOA functions throughout Melrose. As you also know, the Halwigs own multiple lots which can be perhaps also used as needed to facilitate such access.

While the golf course has expressed a preference for a route traveling adjacent to the 16th fairway before turning right behind the 16th green, we can be flexible as to route -- provided the basic services can be met as described above. As an alternative, we would again encourage consideration of a northern approach to the Halwigs' house using the shared access route of the service vehicles that will be used to reconstruct the seawall along the 17th fairway. The severity of turn angles for any chosen route is a concern as it may reduce the functionality of access provided.

The Halwigs and Nollers stand prepared to cooperate in the firefighting plan for their homes — including the development of appropriate water pumping station and/or provision/location of supplemental equipment on their property. Like road maintenance and other infrastructure provisions, we feel this is a responsibility of the HOA. Utility service generally is also a key component of access although it need not be provided by the same route as human transport.

I understand that the permits have been granted for beach re-nourishment, and we are certainly glad to hear of that development. We also understand that an effort is being made to seek a change in the zone classification to facilitate federal assistance with beach re-nourishment. In the meantime, we want to encourage an expedited effort to reconstruct the seawall on the 17th fairway coastline to the north of the Halwigs' property as this will also serve to strengthen their existing seawall and property stability. We also encourage the continued pursuit of possible groins to combat future erosion.

Please feel free to contact me with any developments or requests for assistance. Again, we appreciate the cooperation shown to date, but we must make efforts to expedite these solutions.

sincerely,

TURNER PADGET GRAHAM & LANEY P.A.

J. René Josey

JRJ:mjs

Crow, Ken <kcrow@centurygolf.com>

Sent:

Friday, March 4, 2016 10:49 AM

To:

Josey, J. Rene

Subject:

Easement for Halwig home

Rene,

Good Morning!

Below are some thoughts just to make sure that we are on the same page, as we move forward, for easement for the Halwig home.

- Melrose Club agrees to allow golf cart easement across the golf course to access the Halwig home.
- All construction related to this easement, both labor and materials, will be paid for by the Halwig's. The Melrose Club will have final say of products and contractors to be use on it's property.
- The Melrose Club, members, ownership group, property owners association and employees will be protected by insurance that the Halwig's will maintain.
- Should any legal action occur the Halwig's will cover all legal expenses for the parties mentioned above.
- This is a temporary easement and both parties agree to continue to work towards a permanent situation.
- The Club will not be held responsible, should the road become impassable due to circumstances beyond our control. For lost revenue, medical emergency, fire emergency or any other damage that may occur due to the road being impassable.

Please review and let's try to discuss this afternoon or Monday at the latest. I know how I have left out a couple of items but let's discuss so we can keep this moving forward. I am speaking with the ownership group a little bit later today and will review this with them as well.

Thanks, Ken

Sent from my iPhone

jmhalwigmd@aol.com

Sent:

Thursday, October 13, 2016 2:07 PM

To:

Josey, J. Rene

Subject:

Re: Damage at Daufuski

We have had some damage to the ground floor of our home which will be covered by flood insurance and major damage to the seawall and oceanside yard and pool area which will not be covered.

We have verbal approval to rebuild the seawall and will be filing permits ASAP and have a contractor ready to go. This will be about \$150,000 which is still much less than purchasing another lot and moving the home. We will be getting some Federal help with filing casualty losses with the IRS and getting partial tax refunds.

Pelorus was behind in employee salaries, real estate taxes, etc and the golf carts and some of the golf course maintenance equipment were repossessed a couple of weeks ago. They were expecting a 1,500,000 investment prior to the storm. I do not know if they got it..

It is hard to see right now how they will be able to make it and not file for bankruptcy. As you suggested this may accelerate recovery with stronger partners.

I am planning for the possible need to move the water/sewer and electric service permanently.

-We had talked about rerouting the utilities through the Golf Course utility easement and under the course. We had Ken Crowe's verbal agreement to allow this but I want to get something in writing ASAP in case there is a bankruptcy. (I will send the map of this)

-I had spoken with the water company and they were fine with relocating water/sewer but suggested we would need to cover the cost. We need to find out if a public utility can do that.

-l am still trying to find someone from SCE&G to discuss the electric relocation with.

Mike

-----Original Message----From: Josey, J. Rene <JJosey@TurnerPadget.com>
To: jmhalwigmd <jmhalwigmd@aol.com>
Cc: Josey, J. Rene <JJosey@TurnerPadget.com>
Sent: Wed, Oct 12, 2016 7:05 pm
Subject: Damage at Daufuski

I got your message and feared there would be some damage at Daufuski from the storm. I pulled up and found this photo in the Island Packet on-line.

We have heard that the new golf course owner was, as suspected, financially struggling – I doubt if storm damage will help.

Maybe a chance for new ownership? Maybe overall Island damage will help accelerate governmental re-nourishment support?

I have meetings Thursday and Friday in Columbia but will attempt to call you Monday; I may have the ability to read messages during some meetings — or call if I have a sufficient break in meetings.



South Carolina Office of Regulatory Staff 1401 Maln St. Sulte 900 Columbia, SC 29201 Phone: 800-922-1531 Fax: 803-737-4750

Consumer Complaint/Inquiry Form

Please complete this form, save it to your computer and then send it to complaints@regstaff.sc.gov. A member of the SC Office of Regulatory Staff will be in contact with you to address your complaint or inquiry.

If your utility service is scheduled for disconnection, please call the ORS at 1-800-922-1531. Please fill out all fields marked with an asterisk *, as they are required. Failure to complete required fields may cause a delay in responding to you.

Name* Date* 11/8/16 John M. Halwig Address* 46 Driftwood Cottage Lane Clty* ZIP Code* 29915 Daufuskie Island Phone **Email** JMHalwigMD@aol.com (404) 406-0416 Number* What utility/company is your Daufuskie Island Utility Company complaint regarding?* What is your account number? Are you an authorized contact person for the account?* ☐ No Please outline your complaint below. Be brief as the field is limited to 1000 characters. Further detail, if needed, can be gathered when a member of the ORS staff contacts you.* have requested specific information regarding the status of the Driftwood Cottage Lane water/sewer; service and when service will be restored on 10/20/16 and again on 11/1/16. I have been advised that an outside contractor was retained to fix the sewer service but that there is not a specific date service will be restored. We have been without water/sewer service since Hurricane Matthew on 10/8/16 and have not been able to stay in the home.

To save or print the form, click on the Save/Print Form button below.

To save the form, choose Adobe PDF as your printer, then click print. This will bring up a menu asking where you want to save the document to your computer. Once you have saved the form, you can submit it through emall or print it and fax or mail it to the ORS using the information listed at the top of this page.

Save/Print Form

jmhalwigmd@aol.com

Sent:

Monday, November 28, 2016 11:07 AM

To:

jt@pelorusmail.com; kcrow@centurygolf.com

Cc:

Josey, J. Rene; bev.noller@gmail.com

Subject:

Driftwood Cottage Lane

Attachments:

LAB Driftwood Cottage Access.pdf

The water/sewer lines were washed out along the eroded part of Driftwood Cottage Lane so the two occupied houses (36 Driftwood Cottage-Nollers and 46 Driftwood Cottage-Halwigs) are currently without service and cannot be occupied. AN assessment has been made that the service needs to be relocated. There is an existing utility easement between and Martinangel Lane which is pretty much directly across from the lift station on Driftwood Cottage. (see attached page 1). I am asking for permission to run the water/sewer and potentially the electric service across the 17th fairway from that easement which is controlled by the Melrose POA. We will work out all the details with Daufuskie Island Utility Company. Mike Halwig

C. DUKES SCOTT EXECUTIVE DIRECTOR



NANETTE S. EDWARDS

<u>DEPUTY EXECUTIVE DIRECTOR</u>

Toll Free: 1-800-922-1531 www.regulatorystaff.sc.gov

April B. Sharpe Manager of Consumer Services

December 2, 2016

Dr. John Halwig 305 10th Street NE Atlanta, Georgia 30309

RE: ORS File 2016-W-1682

Dear Dr. Halwig:

This letter is in response to your complaint filed at the Office of Regulatory Staff ("ORS") regarding Daufuskie Island Utility Company ("DIUC" or "Company"). In your complaint you state your property at 46 Driftwood Cottage Lane, Daufuskie Island, S.C. has been without water and sewer service since October 8, 2016 due to Hurricane Matthew. You are requesting DIUC provide a specific date that water and sewer service will be restored to the property.

The ORS contacted DIUC for assistance to investigate and respond to your complaint. According to DIUC, due to Hurricane Matthew, severe erosion occurred causing a wash out of the road and surrounding areas where the water and sewer mains were located. The water and sewer mains were destroyed and rendered unusable. DIUC states that the road and surrounding area will need to be restored and adequately protected from future erosion before the water and sewer mains can be reconstructed to provide service to this area.

DIUC states they are currently exploring other means of access to serve your property but have not obtained rights of way necessary to construct water and sewer infrastructure to serve your property. The Company states a specific date for restoration of water and sewer service to your property cannot be provided at this time.

ORS conducted a conference call with a representative from DIUC on December 1, 2016 and advised the Company of the following Public Service Commission ("PSC") Rules and Regulations:

PSC <u>Wastewater and Water</u> Regulations 103-540 and 103-740 state "Each utility, unless specifically relieved in any case by the commission from such obligation, shall operate

and maintain in safe, efficient and proper conditions of all of its facilities and equipment used in connection with the services it provides to any customer up to and including the point of delivery from systems or facilities owned by the customer."

PSC <u>Wastewater</u> Regulation 103-555 (e), states "The utility shall be responsible for providing the location for the connection of the customer's service pipe to the utility's service pipe or the utility's main, whichever is applicable, at the utility's expense, and at no expense to the customer."

PSC <u>Wastewater</u> Regulation 103-570 (B) states "It shall be the obligation of each utility dependent upon its ability to procure and retain suitable facilities and rights for the construction and maintenance of the necessary system to furnish adequate sewerage service to customers in the area or territory in which it operates."

PSC <u>Water</u> Regulation 103-755, "When the utility renders temporary service to a customer, it may require that the customer bear all the cost of installing and removing the service in excess of any salvage realized."

Based on ORS's review, the Public Service Commission of South Carolina's rules and regulations do not identify a specific time period for water and sewer service restoration. ORS will maintain contact with DIUC in regard to their efforts to restore water and sewer service to your property.

If you are not satisfied with the response from the ORS's investigation, you have the right to file your complaint with the PSC. To file a complaint with the PSC, you must complete the PSC's complaint form available online at www.psc.sc.gov. The completed form must then be mailed to the PSC at 101 Executive Center Drive, Suite 100, Columbia, S.C. 29210

If you have any questions, please contact me at 1-800-922-1531, extension 75194, or via e-mail at ccampbe@regstaff.sc.gov.

Sincerely,

Chad Campbell Consumer Services

Office of Regulatory Staff

lod Canpbell

cc: Mike Guastella, Guastella and Associates (VIA E-MAIL) Dawn Hipp, ORS Director, Utility Rates and Services Sarah Johnson, ORS, Director, Utility Services Willie Morgan, ORS, Director, Utility Rates April Sharpe, ORS, Manager, Consumer Services

jmhalwigmd@aol.com

Sent:

Tuesday, December 13, 2016 11:04 AM

To:

admin@guastella.com

Cc:

bev.noller@gmail.com; Josey, J. Rene

Subject:

Re: J. Michael Halwig MD commented on your site!

Attachments:

LAB II Request for Easement.docx; Melrose Utility Easement.pdf; Melrose Utility

Easement Creation.pdf

I have been told by Ken Crow, from Century Golf which is the company that manages Melrose for the Pelorus Group, that a written request asking to relocate the Driftwood Cottage Lane water/sewer service across the golf course would help accelerate the process of their approval of an easement to allow for this.

I have attached a draft letter that you may want to use.

I would appreciate it if you would email or mail it or whatever you wish draft to JT Bramlette, the owner of Melrose, and Ken Crow, the manager of Melrose-

jt@pelorusmail.com

-kcrow@centurygolf.com

J T Bramlette 222 Main St Suite 1910 Salt Lake City, UT 84101

A have also attached the appropriate documents regarding this.

Time is of the essence. We and the Nollers have not had access to our homes since October 8th due to the lack of water/sewer service. We have had to cancel 11 days of rentals for a total of \$8736.36 in lost rental income and have had to reschedule another 11 days since the Hurricane. We lost 3 days of planned personal use and will be loosing an additional 7 days over Christmas to New Years. I am sure the Nollers have also lost significant use of their home also.

I would appreciate you prompt attention to this matter. Our next step will be to file a formal complaint with the SC Public Service Commission if service is not restored within the next 2 weeks.

I am also forwarding this to our attorney J. Rene Josey of the firm Turner Padget.

MH

-----Original Message----From: Guastella Admin <admin@guastella.com>
To: JMHalwigMD <JMHalwigMD@aol.com>
Sent: Fri, Dec 9, 2016 11:51 am

Subject: Re: J. Michael Halwig MD commented on your site!

Mr. Halwig,

I have forwarded your message, as requested. We will also accept any written documentation that you would like to provide.

Sincerely, Carolyn Carleton Daufuskie Island Utility Company, Inc PO BOX 360 Northborough, MA 01532 617-423-3030

On Dec 8, 2016, at 2:47 PM, J. Michael Halwig MD <support@strikingly.com> wrote:

J. Michael Halwig MD commented on your site (http://www.daufuskieislandutility.com/):

I have a verbal approval from JT Bramlett, Pelorus to allow the water/sewer to go across the 17th hole from the existing utility easement to Driftwood Cottage Lane and expect to have written approval by early next week. What needs to be done to relocate the service ASAP? We have been without service for 2 months. The ORS has now reviewed your "plan". Please forward this email directly to Mike Gustella.

Name: J. Michael Halwig MD Email: <u>JMHalwigMD@aol.com</u> Reply to this email directly to respond to J. Michael Halwig MD (<u>JMHalwigMD@aol.com</u>).

VIEW ALL RESPONSES

support@strikingly.com

^{**}PLEASE NOTE OUR NEW MAILING ADDRESS

^{**}You can now pay online at www.DaufuskielslandUtility.com

JT Bramlette

The Pelorus Group

222 Main St

Suite 1910

Salt Lake City, UT 84101

12/13/16

Mr. Bramlette,

As you may be aware the water/sewer service that supplies the residents of the remaining portion of Driftwood Cottage Lane was washed out during Hurricane Matthew. A decision has been made that it will be necessary to relocate the service. The existing Utility Easement between lot 23 (80 Martinangel Lane) and lot 24 (78 Martinangel Lane) is the best location for the service with a newly created utility easement from that location to Driftwood Cottage Lane across the 17th Fairway will be necessary to complete this process.

We are requesting your immediate approval of this new easement to be determined. See the attached documents to accomplish this.

Sincerely,

Daufuskie Island Utility Service

Turner Padget

REPLY TO:

J. René Josey

E-Mail: RJosey@TurnerPadget.com Writer's Direct Dial: (843) 656-4451 Writer's Direct Fax: (843) 413-5818

December 20, 2016

Via Facsimile (admin@guastella.com)

Michael J. Guastella Vice President and Manager Daufuskie Island Utility Company 803 Haig Point Road Daufuskie Island, SC 29915

Re:

Utility Service to Homes on Driftwood Cottage Lane, Daufuskie Island

TP File No.: 13826.101

Dear Mr. Guastella:

The above-referenced matter is urgent as property rental and usage is being prevented. As you may be aware, I represent Dr. and Mrs. Michael Halwig with regard to their property issues at their home at Driftwood Cottage Lane on Daufuskie Island.

As I am sure you are aware, utility service there has recently ended as a result of erosion. Nevertheless, I am sure you are also aware that efforts are being made to protect and save these homes. In that regard, I have been working with Ken Crow of Century Golf with regard to physical access for visitors to these homes. I have also discussed with him utility access through a more reliable route. In that regard, I understand that the golf course is prepared to work with your company to provide utility service to these homes as soon as possible.

In that regard, I must ask that you act with all deliberate speed to initiate the rerouting of water and sewer utilities to these homes; in particular, the Halwig and Noller homes which I understand remain under reliable electrical utility service. In order that we may avoid escalation of this matter to additional parties/regulators, I would ask that you respond with your commitment within 48 hours of receipt of this letter. I appreciate your attention to the matter.

Sincerely,

TURNER PADGET GRAHAM & LANEY P.A.

. René Josev

JRJ:mis

Cc:

Mike Halwig (via email) Ken Crow (via email)

TURNER PADGET GRAHAM & LANEY P.A.
Columbia | Charleston | Greenville | Florence | Myrtle Beach

www.turnerpadget.com P 843-662-9008 F 843-667-0828 319 South Irby St. (29501) | P.O. Box 5478, Florence, SC 29502

From: Sent: Bev Noller

bev.noller@gmail.com>

Wednesday, January 4, 2017 1:26 PM

To:

jt@pelorusmail.com

Cc:

Josey, J. Rene; kcrow@centurygolf.com; Guastella Admin; Halwig

Subject:

Water/Sewer easement access Daufuskie Island

January 3, 2017

Beverly & Stephen A Noller 6045 Forsyth Road Macon, GA 31210

36 Driftwood Cottage Lane Daufuskie Island, SC 29915

J T Bramlette 222 Main St Suite 1910 Salt Lake City, UT 84101

Mr Bramlette,

I am writing to implore you to please act immediately to restore our water and sewer access to our home and that of Mike Halwig's home. This extended delay is totally unacceptable as we, by law, have a right to access water and sewage service to our homes. The easement has existed since Melrose was built and quite frankly this should have been done years ago as the beach road route has been repeatedly assaulted by erosion and storms. It would really be unfortunate for all of us to go through the litigation process which only cost you and us more money. Once the lines are in and ground work done there will be no trace of these lines as you well know.

Time is of the essence. We have not had access to our homes since October 8th due to the lack of water/sewer service. The Halwigs have had to cancel 11 days of rentals for a total of \$8736.36 in lost rental income and have had to reschedule another 11 days since the Hurricane. They have lost 3 days of planned personal use and will be losing an additional 7 days over Christmas to New Years. We have had to cancel a long planned family reunion with my family over the Christmas holiday. And, for my Missouri based family, it was quite a disappointment to have had to lose this time together on this beautiful island.

I would appreciate your prompt attention to this matter. I think Dr. Halwig explained to you that our next step will be to file a formal complaint with the SC Public Service Commission if service is not restored.

I too, am forwarding this to our attorney J. Rene Josey of the firm Turner Padget.

You have already received all supporting documents from Dr.Halwig and I will include them again as I send this as a hard copy to your office. I am sending a copy of my/our request to Mr Ken Crow, just so all of you understand our position.

Mr. Bramlette, I assure you that if the situation were reversed you would not want to be treated and ignored the way you have treated the Halwigs and us. I always expect the respectful and "right and fair" treatment of those I come in contact with and do business with....I hope you will act promptly and do what is fair and right by us.

Respectfully,			
Beverly P Noller			
Cc: Ken Crow J. Rene Josey Mr. Guastella hope your day goes well, Bev			
"The Constitution is not an instrument for the government to restrain the people, it is an instrument for the people to restrain the government."Patrick Henry			
		,	

Josey, J. Rene

Sent:

Thursday, January 5, 2017 3:02 PM

To:

Guastella Admin

Cc:

Josey, J. Rene; Crow, Ken (kcrow@centurygolf.com)

Subject:

RE: Urgent Water & Sewer Need to Driftwood Cottage Homes

Two weeks have passed since this response from you without any update. What can you tell me now?

What can the homeowners do to facilitate this process?

J. Rene Josey Attorney PO Box 5478 | Florence, SC 29502 Turner | Padget | Po Box 54/8 | Horence, SC 29502 | 319 South Irby Street | Florence, SC 29501 843-656-4451 | Fax 843-413-5818 jjosey@turnerpadget.com Bio | vCard | Location

From: Guastella Admin [mailto:admin@guastella.com] Sent: Wednesday, December 21, 2016 1:45 PM

To: Josey, J. Rene

Subject: Re: Urgent Water & Sewer Need to Driftwood Cottage Homes

J. Rene Josey,

Your letter was received. DIUC has been in contact with both state regulatory agencies and private company's concerning this matter. We will provide you with our most up to date information ASAP.

Sincerely, Carolyn Carleton Daufuskie Island Utility Company, Inc PO BOX 360 Northborough, MA 01532 617-423-3030

**PLEASE NOTE OUR NEW MAILING ADDRESS

On Dec 20, 2016, at 10:30 AM, Josey, J. Rene < JJosey@TurnerPadget.com > wrote:

Please see the attached and give it your urgent attention.



^{**}You can now pay online at www.DaufuskielslandUtility.com

319 South Irby Street | Florence, SC 29501 843-656-4451 | Fax 843-413-5818 jjosey@turnerpadget.com Bio | vCard | Location

<Ltr Michael J. Guastella.pdf>

Sent:

To:

Cc:

Subject:

Attachments:

Mike Guastella < mjg@guastella.com> Monday, January 9, 2017 1:44 PM

Josey, J. Rene

jmhalwigmd@aol.com

DIUC - Driftwood Cottage Ln

Halwig 1.9.17.pdf; Halwig 12.10.15.pdf

Mr. J. Rene Josey,

Please see attachments.

Regards,

Mike Guastella

Vice President-Operations Guastella Associates, LLC 725 N Hwy A1A, Suite B103 Jupiter, FL 33477

Office: 617-423-3030 Cell: 775-267-7035 Fax:617-423-2929

DAUFUSKIE ISLAND UTILITY COMPANY, INC. PO BOX 360

Northborough, MA 01532 617-423-7878

January 9, 2017

BY EMAIL

Mr. J. Rene Josey, Esq. Turner | Padget 319 South Irby St. P.O. Box 5476 Florence SC 29502

> Re: Utility service to homes on Driftwood Cottage Lane TPGL File No.: 13926.101

Dear Mr. Josey,

This area is a critical coastal zone and falls under strict regulatory guidelines for any and all construction. Neither DIUC nor anyone else has the authority to construct or install new facilities in this area without regulatory approval. DIUC provided you with a letter dated December 10, 2015 addressing the possibility of new facilities, to which we have not yet had a response.

DIUC maintains its position, in accordance with the referenced Regulation 103-502.3, stated in our December 10, 2015 letter, a copy of which is attached for your convenience.

GUASTELLA ASSOCIATES, LLC

Manager of DIUC,

Mike J. Guastella

Vice President-Operations

Cc: Mike Halwig

DAUFUSKIE ISLAND UTILITY COMPANY, INC. c/o GUASTELLA ASSOCIATES, LLC 6 Beacon Street, Suite 200 Boston, MA 02108 617-423-7878

December 10, 2015

Mr. J. Rene Josey, Esq. Turner | Padget 319 South Irby St. P.O. Box 5476 Florence SC 29502

> Re: Michael and Nancy Halwig 46 Driftwood Cottage Lane TPGL File No.: 13926.101

Dear Mr. Josey:

Daufuskie Island Utility Company (Company) will continue to preserve, maintain and provide service to all customers within its service area, including service to the Halwig property. The Driftwood service area has been and continues to be monitored daily regarding the erosion problem. In accordance with conversations with Mr. Crow and members of the Office of Regulatory Staff of South Carolina, we will continue to provide utility service as originally designed and in compliance with all regulatory requirements.

It is, however, the Halwig's responsibility for an alternative extension of mains and facilities to provide water and sewer service to their property, subject to our approval of the design and construction. The cost of any alternative would be the responsibility of the Halwigs, because it is not appropriate for the Company to incur such costs which would then be passed on to its other customers through the rate setting process. An alternative extension will be considered under the provisions of a 'Customer Main Extension Fee' contract, Reg. 103-502.3, "A fee paid by a customer under a contract entered into by and between the utility and its customer providing terms for the extension of the utility's mains to service the customer".

We would, of course, work with the Halwigs' contractor to accomplish an alternative extension from another location of our existing distribution system.

GUASTELLA ASSOCIATES, LLC Manager of DIUC

Mike J. Guastella Vice President-Operations

Complainants 00065

imhalwigmd@aol.com

Sent:

Tuesday, January 10, 2017 10:58 AM

To:

jmhalwigmd@aol.com

Cc:

Josey, J. Rene; bev.noller@gmail.com

Subject:

Re: J. Michael Halwig MD commented on your site!

Mike,

You did not directly respond to the issues raised in the email below from 12/13/16 and 12/;8/13 in your email of yesterday 1/9/17. We have provided you with a proposed service relocation across the 17th hole from the existing utility easement to Driftwood Cottage Lane. Is that acceptable to DIUC?

Can you provide us with contents of the regulation 103-502.3 you are referring to in your email?

Who would you recommend as qualified contractors to do the work?

Mike Halwig

----Original Message----

From: jmhalwigmd <jmhalwigmd@aol.com>
To: bev.noller <bev.noller@gmail.com>
Sent: Mon, Dec 19, 2016 7:46 am

Subject: Fwd: J. Michael Halwig MD commented on your site!

----Original Message----

From: jmhalwigmd < jmhalwigmd@aol.com >

To: admin <a drawn admin@guastella.com >

Cc: bev.noller < bev.noller@gmail.com >; jjosey < jjosey@turnerpadget.com >

Sent: Tue, Dec 13, 2016 11:03 am

Subject: Re: J. Michael Halwig MD commented on your site!

I have been told by Ken Crow, from Century Golf which is the company that manages Melrose for the Pelorus Group, that a written request asking to relocate the Driftwood Cottage Lane water/sewer service across the golf course would help accelerate the process of their approval of an easement to allow for this.

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Daufuskie Island Utility Company, Inc
PO BOX 360
Northborough, MA 01532
617-423-3030

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Name: J. Michael Halwig MD Email: JMHalwigMD@aol.com

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